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November 27, 2017

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Petition to Establish Generic Proceeding Pursuant to the Distributed Energy
Resource Program Act, Act No. 236 of 2014, Ratification No. 241, Senate Bill
No. 1189
Docket No. 2014-246-E

Dear Ms. Boyd:

Enclosed for filing on behalf of South Carolina Electric & Gas Company, Duke Energy Carolinas, LLC, and Duke Energy Progress, LLC is a Joint Response in Opposition to Motion to Compel by the Alliance for Solar Choice.

By copy of this letter, we are serving a copy of the Joint Response on counsel for the parties of record and enclose a certificate of service to that effect.

If you have any questions, please do not hesitate to contact us.

Very truly yours,

Matthew W. Gissendanner

MWG/kms
Enclosures

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BEFORE THE
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
DOCKET NO. 2014-246-E

In Re:)	
)	
Petition to Establish Generic)	
Proceeding Pursuant to the)	Joint Response of Duke Energy
Distributed Energy Resource Program)	Carolinas, LLC; Duke Energy
Act, Act No. 236 of 2014, Ratification)	Progress, LLC; and South Carolina
No. 241, Senate Bill No. 1189)	Electric & Gas Company in Opposition
)	to Motion to Compel by the Alliance
)	for Solar Choice
)	
)	
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)	

Pursuant to 10 S.C. Code Ann. Regs. 103-829(A) and other applicable rules of practice and procedure of the Public Service Commission of South Carolina (“Commission”), Duke Energy Carolinas, LLC (“DEC”), Duke Energy Progress, LLC (“DEP”) (collectively, “Duke Energy”), and South Carolina Electric & Gas Company (“SCE&G,” together with Duke Energy, the “Companies”) hereby respond in opposition to the Motion to Compel filed by the Alliance for Solar Choice (“TASC”) on November 13, 2017 (“Motion”). The Companies respectfully requests that the Motion be denied for the reasons explained below.

BACKGROUND

By Order No. 2015-194, in Docket No. 2014-246-E, the Commission approved the terms of a Settlement Agreement (“Settlement Agreement”) entered into by Companies, TASC, and others (“Settling Parties”), concluding that such approval was in the public interest as a reasonable

resolution of the issues in this case. Among other things, the Settlement Agreement required that each of the Companies “file reports with the Commission and copy ORS when the following participation levels [of net metered distributed energy resource generation] are reached . . . : (1) 0.5%; (2) 1.0%; (3) 1.5%; and (4) 2.0% of the Utility’s previous five-year average South Carolina retail peak demand”

In accordance with the Settlement Agreement, on February 14, 2017, SCE&G notified the Commission that it had surpassed the 0.5% participation level as of the end of December 2016, and on October 13, 2017, SCE&G notified the Commission that it had surpassed the 1.0% participation level as of the end of September 2017.¹

On May 23, 2017, DEC notified the Commission that it had surpassed the 0.5% participation level as of the end of April 2017, and on November 16, 2017, DEC notified the Commission that it had surpassed the 1.0% participation level as of the end of October 2017. DEP has not made such filings with the Commission because net metering participation has not reached 0.5% yet. Accordingly, the Companies are in compliance with all reporting requirements set forth in Commission Order No. 2015-194, and there has been no allegation to the contrary.

On July 11, 2017, the Companies and TASC attended a meeting hosted by the South Carolina Office of Regulatory Staff (“ORS”). *See* Motion to Compel at page 6, fn.9. The meeting primarily focused on when each utility would reach the net energy metering (“NEM”) cap and the possible rate structures that would be implemented after the cap was reached. During the meeting,

¹ TASC correctly notes that when considering approved NEM applications together with interconnected NEM systems, SCE&G hit the 1% threshold in May 2017. However, the approved but not interconnected NEM applications included what SCE&G has now determined to be 289 stale projects totaling 2,206 kW that were never interconnected to the SCE&G system. (Those projects have since been provided with a withdrawal notice letter.) Approximately 35% of those stale projects belonged to Sunrun, the TASC member who is pushing for the data that is the subject of this Motion to Compel. Despite requests from SCE&G, Sunrun refuses to provide any information regarding cancellation rates or the number of inactive approved projects. For these reasons, SCE&G has published what is known and real in its previous Commission filings. Nevertheless, SCE&G plans to include approved applications in future filings.

a question arose as to the feasibility of the Companies providing monthly web updates regarding progress toward the cap. It was agreed that this issue required research and that this—and other NEM issues—would be further explored as part of the ongoing State Energy Plan meetings. The Companies disagree with TASC’s allegations that the Companies have failed to provide information to TASC and to ORS when asked in connection with this meeting. *See id.*

On August 10, 2017, and August 15, 2017, Duke Energy and SCE&G, respectively, shared via email with the State Energy Plan participants, which included TASC, the amount of NEM interconnections and approved applications as of July 31, 2017 for each utility. On August 16, 2017, this data was discussed in person at a State Energy Plan meeting with TASC.²

On September 20, 2017, DEC and DEP held a DER Collaborative meeting, attended by a TASC member, where updates were provided for both DEP and DEC’s NEM participation, and upon request, this information was provided to a TASC member on September 28, 2017.

On October 17, 2017, TASC accepted an invitation to attend an SCE&G DER Collaborative meeting to be held November 14, 2017. At all of SCE&G’s DER Collaborative meetings, NEM program performance and adoptions are discussed, and feedback from participants is solicited.

On October 24, 2017, the ORS informed the Companies that TASC had visited the ORS on the day prior, October 23, 2017, and expressed their desire to receive information on the number of NEM applications, received, approved, and interconnected on a monthly basis. That same day, a phone call was held between the Companies and ORS to review the TASC request.

On October 27, 2017, and contrary to TASC’s representation that “neither utility gave ORS a commitment for when monthly data would be made available,” *see* Motion to Compel at page 8,

² As TASC notes in its Motion, another State Energy Plan meeting set for September 19, 2017, was cancelled. The Companies did not call this meeting nor request this meeting be cancelled.

SCE&G confirmed with ORS that SCE&G would work towards producing the requested monthly updates on its website, and that it might be available in December 2017 or January 2018. On October 27, 2017, DEP and DEC also confirmed that they would provide such information monthly beginning in December 2017. And, SCE&G has reiterated to its DER Collaborative participants, by email dated November 15, 2017, its plans to post monthly on its website beginning in December 2017 the cumulative amount of MWs that are (1) interconnected, (2) approved to be built, (3) pending approval, and (4) remaining under the cap.

On November 13, 2017, TASC filed the Motion to Compel—one day before the SCE&G DER Collaborative meeting was scheduled to be held, at which time TASC knew that it would receive information on program adoptions.

On November 14, 2017, SCE&G conducted its DER Collaborative meeting and shared with the participants the total NEM MWs applied for and approved and the total NEM MWs interconnected to the system, as well as information on the number of MWs approved that were subject to being withdrawn because they were over a year old. At the round-table discussion following the presentation of this information, the TASC member asked no questions, made no comments and provided no input when he was specifically asked.

Taking into account approved applications and interconnected systems, SCE&G's current forecast is that it will reach the 2% NEM cap in early 2019; DEC's current forecast is that it will reach the cap in the second quarter of 2018;³ and DEP does not anticipate reaching the cap prior to 2021. The Companies will continue to share information related to their progress towards the cap as required by Commission Order No. 2015-194, testimony in their respective annual fuel

³ DEC has previously reported it anticipated meeting the cap in the first quarter of 2019, based on the number of interconnected net metering facilities. The estimate provided herein of second quarter 2018 is based on the number of interconnected net metering facilities combined with approved net metering applications.

proceedings, and presentations at the State Energy Plan meetings and biannual DER Collaborative meetings.

ARGUMENTS

TASC's Motion should be denied as moot because the issues of data reporting have previously been adjudicated by this Commission. TASC points out in its Motion that the Settling Parties previously agreed to what reporting requirements should be required of the Companies. TASC also agreed in its Motion that the Companies have complied with those reporting requirements. Because the reporting requirements have previously been addressed by the parties and approved by the Commission, the Commission should dismiss the Motion as moot.

Moreover, requiring the Companies to provide the information requested by TASC in the Motion on a weekly basis once only 20% of the cap remains and on a daily basis once only 10% of the cap remains would be overly burdensome on the Companies' resources, particularly where TASC has not set forth a compelling reason for needing the information on such a frequent basis. The Motion makes broad conclusory statements, such as the need for ratepayers and the solar industry need to know when the NEM cap will be hit, but fails to justify or explain this need in any manner, much less describe how the more onerous reporting requirements requested will benefit ratepayers and the solar industry. Further, the Motion assumes that the Companies are in a position to know with a great degree of certainty precisely when the NEM cap will be met. Indeed, TASC knows or possesses the means by which to know the number of applications submitted by its membership, and it is unquestionably in a better position than the Companies to know whether the applications submitted to the Companies are likely to result in interconnected systems. As TASC is well aware, the NEM cap is statutorily prescribed and the Companies' have no control over the availability of NEM to the solar industry or to ratepayers. The Companies will

continue to review applications up until the point where the cap is met, and at such point, the next customer's application will be notified accordingly. The information requested through this Motion does not in any way affect when the first customer's application will be denied as a result of the cap being met.

The Motion's reference to the Nevada utility miscalculating the amount of capacity enrolled in its net metering program is misplaced. There have been no allegations of the Companies' failing to properly calculate the amount of capacity participating in NEM. Notably, the references provided by TASC to the reporting requirements in Nevada and California, see Motion to Compel at page 10, fn. 12 and 14, demonstrate that monthly updates have been sufficient to satisfy the solar industry in some of the most contested and saturated markets. Further, the software Duke Energy uses to store interconnection-related data and run queries for such reporting needs only provides such statistical reports on a monthly basis. SCE&G has multiple systems where interconnection-related data resides; currently these systems are not fully integrated and the manual effort required to collect and publish the information on its website is not a prudent use of SCE&G's resources. As TASC has offered no justification or basis—let alone a compelling one—for its request for reporting on a daily or weekly basis, the Commission should dismiss those requests. The time to produce the daily and weekly reports and publish them would require further investment of time and resources, resulting in additional ratepayer expense without providing ratepayers commensurate value.

In an effort to provide TASC additional information, the Companies are agreeable to providing monthly updates on their websites to include the following information:

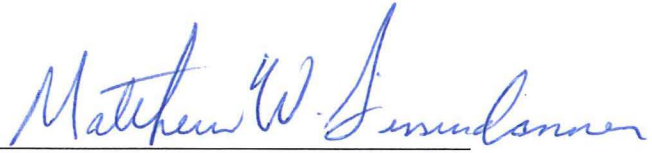
- Total cumulative amount of megawatts interconnected for net metering facilities
- Total cumulative amount of applications for net metering approved but not interconnected, in megawatts
- Total cumulative amount of applications for net metering pending approval, in megawatts
- Total amount of megawatts remaining under the cap

The NEM cap is a cap on the amount of capacity, not on the number of participants; as such, there is no reason for the Companies to provide the number of applications received, interconnected, or pending approval. The MWs associated with each of those categories is sufficient for reporting purposes.

CONCLUSION

WHEREFORE, for the reasons set forth herein, the Companies request that the Motion be denied.

[SIGNATURE PAGE TO FOLLOW]



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Columbia, South Carolina
November 27, 2017

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2014-246-E

IN RE:

Petition of South Carolina Electric)	
& Gas Company for Approval to)	CERTIFICATE
Participate in a Distributed Energy)	OF SERVICE
Resource Program)	
_____)	

This is to certify that I have caused to be served this day one (1) copy of the **Joint Response of Duke Energy Carolinas, LLC, Duke Energy Progress, LLC, and South Carolina Electric & Gas Company in Opposition to Motion to Compel by the Alliance for Solar Choice** to the persons named below at the addresses set forth in the manner described:

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This 27th day of November 2017